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VIA ELECTRONIC FILING

Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

**Re: Pooling of Greyhound Lines, Inc. and Peter Pan Bus Lines, Inc., STB Docket Nos.
MC-F-20904, MC-F-20908, MC-F-20912**

Expedited Action Requested

Dear Ms. Brown:

It has come to the attention of Coach USA, Inc. and Megabus Northeast, LLC, (jointly, "Megabus"), that two federally-authorized motor passenger carriers, Greyhound Lines, Inc. ("Greyhound") and Peter Pan Bus Lines, Inc. ("Peter Pan"), have recently announced what appears to be new pooled service via their joint venture, BoltBus, between Philadelphia, PA and Boston, MA.¹ The new service is scheduled to begin on June 23, 2011. As described below, pooled service between these points is not covered by an existing Board-approved pooling agreement between these two carriers, and Greyhound/Peter Pan have not sought Board approval for a new pooling arrangement covering Philadelphia-Boston service. To the extent that Greyhound and Peter Pan plan to operate the new route as a pooled service (as they do with other BoltBus-served routes) any such pooling would be in violation of 49 U.S.C. § 14302. Megabus

¹ See Exhibit 1, PR Newswire, *BoltBus Expands its Newark, N.J. Hub With Service to Boston and Philadelphia Beginning June 23* (announcing the establishment of BoltBus service between Boston and Philadelphia as well as service between Newark and Boston and Newark and Philadelphia), <http://www.prnewswire.com/news-releases/bolthus-expands-its-newark-nj-hub-with-service-to-boston-and-philadelphia-beginning-june-23-123803979.html>. While this letter is focused on Philadelphia-Boston service, Megabus will address a distinct set of concerns that it has with the expansion of BoltBus' Newark service in a separate submission to the Board.

thus urges the Board to promptly require Greyhound and Peter Pan to explain whether they are intending to engage in unapproved pooling on the Philadelphia-Boston route and, if so, to require that they first obtain Board approval of a pooling agreement before offering such service.

The Board has previously approved certain operations and revenue pooling agreements between Peter Pan and Greyhound under 49 U.S.C. § 14302, including agreements covering service between New York City and Washington, DC; New York City and Philadelphia; and New York City and Boston.² By virtue of a letter approval issued on April 17, 2008 by then Acting Secretary Anne Quinlan, the Board approved the so-called "Fourth Amendment to the Revenue Pooling Agreements" ("Fourth Amendment"), which effectively permitted Greyhound and Peter Pan to operate pooled service between these approved city-pairs through a joint venture entity known as BoltBus. BoltBus has thus been operating New York-Washington, New York-Philadelphia and New York-Boston services under the pooling agreements since 2008 and, according to Greyhound counsel it operations "inure to the benefit of both Peter Pan Bus Lines, Inc. and Greyhound Lines, Inc."³

As noted, BoltBus has recently announced that it plans to offer service between Philadelphia and Boston beginning on June 23, 2011. According to the press release attached at Exhibit 1, BoltBus "is a division of Greyhound Lines, Inc., operated in affiliation with Peter Pan Bus Lines." Thus, the planned BoltBus operation between Philadelphia and Boston would appear to be the same type of joint Greyhound/Peter Pan pooling operation as is conducted by BoltBus on other routes as to which pooling has previously been approved. However, no existing Greyhound-Peter Pan pooling agreement approved by the Board allows pooled service between Philadelphia and Boston. The proposed service appears to be direct service between Philadelphia and Boston or possibly service between Philadelphia and Boston with an intermediate stop in Newark, NJ.⁴

As relevant, 49 U.S.C. § 14302 provides that, "A carrier providing transportation subject to jurisdiction under Subchapter 1 of chapter 13 may not agree or combine with another such

² Peter Pan Bus Lines, Inc.—Pooling—Greyhound Lines, Inc., STB Docket No. MC-F-20908 (served Apr. 29, 1998) (New York-Washington, DC); Peter Pan Bus Lines, Inc.—Pooling—Greyhound Lines, Inc., STB Docket No. MC-F-20904 (served June 30, 1997) (New York-Philadelphia); Peter Pan Bus Lines, Inc.—Pooling—Greyhound Lines, Inc., STB Docket No. MC-F-20912 (served Feb. 12, 1998) (New York-Boston).

³ See April 2 letter from Greyhound counsel to the Board filed April 2, 2010 in Docket MC-F-20908.

⁴ No approved pooling agreement provides for service between Newark and Philadelphia except where Newark serves as an intermediate point between Philadelphia and New York. Further, no approved pooling agreement provides for any kind of service between Newark and Boston.

carrier to pool or divide traffic or services or any part of their earnings without the approval of the Board under this section.” (Emphasis added). Because BoltBus was established as a Greyhound-Peter Pan joint venture with pooled operations and revenue, and apparently continues to operate as such, Greyhound and Peter Pan must seek and obtain Board approval of the proposed Philadelphia-Boston BoltBus service under section 14302 before any such service is offered on a pooled basis.

This is not the first time that Greyhound and Peter Pan have sought to exceed the scope of their pooling agreements. On March 12, 2010, Greyhound and Peter Pan filed a letter with the Board seeking approval of a “Fifth Amendment to the Revenue Pooling Agreements,” which they characterized as a “minor, ministerial rewording.” Far from being a minor amendment, this amendment sought to introduce BoltBus service between Washington, DC and Philadelphia, a city-pair (like Boston-Philadelphia) not covered by any Board-approved pooling agreements between Greyhound and Peter Pan. Megabus opposed approval of the Fifth Amendment, arguing that expansion of pooled service to a route not covered in the approved pooling agreements required the filing of a new pooling agreement. In a decision served March 24, 2010, the Board ruled that Greyhound and Peter Pan must seek Board approval by filing an application under section 14302 if they wished to operate BoltBus service between Philadelphia and Washington, DC.⁵

In the present case, which appears virtually identical to the situation involving the proposed Philadelphia-Washington, DC service, Greyhound and Peter Pan propose to offer service over another route not covered by a previously approved pooling agreement. This time, however, they have chosen not to even file a letter with the Board seeking approval for the new service. While they may claim that they are not engaged in pooling with respect to the new service, the fact that they are doing so through BoltBus suggests otherwise and at least raises a question that Greyhound and Peter Pan should be required to answer.⁶

For the same reasons that approval of the Fifth Amendment was denied, the Board should now follow its own precedent here. If as appears to be the case, Greyhound and Peter Pan are proposing to expand their pooled service to a new route, the Board should require them to obtain approval of a pooling application before doing so, or explain why no such application is warranted.

⁵ Peter Pan Bus Lines, Inc.—Pooling—Greyhound Lines, Inc., STB Docket No. MC-F-20908 (March 24, 2010) at 2.

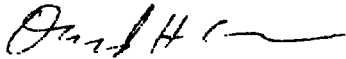
⁶ Greyhound and Peter Pan can also be expected to argue that Megabus is attempting to limit competition. That is not true. Megabus welcomes the competition of individual carriers, but opposes unapproved pooling. If Greyhound and Peter Pan want the advantages of pooling through their BoltBus product, they need to obtain Board approval for such pooling.

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In considering the proposed Philadelphia-Boston service, Megabus respectfully requests that the Board act as soon as possible since service is scheduled to begin June 23, 2011.

Respectfully submitted,



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cc: Daniel Barney, Counsel for Greyhound Lines, Inc.
Jeremy Kahn, Counsel for Peter Pan Bus Lines, Inc.
Director of Operations, Antitrust Division, U.S. Department
of Justice

EXHIBIT 1



 PRINT THIS

BoltBus Expands its Newark, N.J. Hub With Service to Boston and Philadelphia Beginning June 23

All Seats on New Routes Just \$1 for Travel June 23 -26

SECAUCUS, N.J., June 14, 2011 /PRNewswire/ -- BoltBus, a premium bus line focused on providing exceptional service, luxury and convenience at an amazingly low price, today announced it is expanding its Newark, N.J. service to include Boston and Philadelphia. The company also is launching service between Philadelphia and Boston. The new service launches June 23, with tickets on sale now at www.boltbus.com. To celebrate the launch, all seats on these routes are priced at only \$1 for travel June 23 through June 26. The new service from Newark adds to the already popular runs to Baltimore and Washington, D.C., which launched in March.

"BoltBus continues to demonstrate its strength in the Northeast market, with nearly every schedule selling out due to the ever-growing customer demand," said David Hall, general manager of BoltBus. "Just two months after we launched our Newark hub, we already are expanding the BoltBus experience, which is unmatched in value, service, luxury and safety."

The new service includes four daily, round-trips each between Newark and Boston, and Philadelphia and Boston, and six daily round-trips between Newark and Philadelphia. Customers can board street-side in Newark outside the Greyhound terminal, which is adjacent to Newark Pennsylvania Station. In Boston, the service operates from South Station, and in Philadelphia, BoltBus operates from the corner of John F. Kennedy Blvd. and N. 30th St.

With BoltBus, customers enjoy a higher level of service with on-board amenities such as comfortable seats, extra leg room, free Wi-Fi and power outlets. A loyalty program, Bolt Rewards, is also available to reward frequent riders with free travel. And customers can feel good about their contribution to a better environment by riding BoltBus. The company is a greener transportation alternative, only operating new low-emission coaches that can take up to 50 cars off the road.

Tickets for travel from this new location and all of BoltBus' schedules are currently available for purchase in advance online. Tickets can also be purchased from a driver before boarding, over the phone at 1-877-BOLTBUS or via BoltBus Mobile. Walk-up tickets can be purchased at full price. All tickets are nonrefundable. For additional fare and schedule information, visit www.boltbus.com.

About BoltBus

BoltBus provides fast, frequent and safe transportation with unmatched amenities for an amazingly low price. BoltBus is a division of Greyhound Lines, Inc., operated in affiliation with Peter Pan Bus Lines. The division is headquartered in Secaucus, N.J. For fare and schedule information and to buy tickets, visit www.boltbus.com. For the latest news and travel deals, follow BoltBus on Twitter at <http://twitter.com/BoltBus> and Like us on Facebook at <http://www.facebook.com/BoltBus>.

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Check the box to include the list of links referenced in the article.

CERTIFICATE OF SERVICE

I hereby certify that I have this 16th day of June 2011 served a copy of the foregoing letter by Federal Express on counsel for Greyhound Lines, Inc. and Peter Pan Bus Lines, Inc. as follows:

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